

# REPORTING RETIREMENT CONTRIBUTIONS

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# REPORTING RETIREMENT CONTRIBUTIONS

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## Reporting Specifications

Member contributions remitted to the ERS must be based on the compensation that is earned in a reporting period. Earnable compensation is subject to retirement deductions in a monthly reporting period regardless of when the compensation is actually paid to the member. Earnable compensation consists of all regular compensation earned and overtime compensation. Once enrolled, a member must continue to contribute to the ERS until employment is terminated, even if the member's employment is on less than a one-half (50%) basis.

- Regular members must contribute five percent (5%) of earnable compensation.
- Full-time, certified firefighters, correctional officers, or law enforcement officers, who are not covered as State Policemen, must contribute six percent (6%) of earnable compensation (see Glossary for definitions of positions).  
Note: Individuals employed as regular members who are also employed with another participating agency as a firefighter, correctional officer, or law enforcement officer must contribute 6% of earnable compensation from regular employment.
- State Police must contribute ten percent (10%) of earnable compensation.

## Exceptions

Retirement deductions must not be withheld from:

- expense allowance payments that are reimbursement for actual expenses
- lump sum payments for unused accrued sick and/or annual leave
- lump sum payments for unused vacation leave payments
- bonus payments, if not specified in employment contract
- compensatory time payments, unless used for paid leave
- reimbursed expenses unless specifically authorized by law

In cases of doubt, please contact the ERS for clarification.

## Reporting Method and Deadlines

The ERS participating agency must report retirement contributions and RSA-1 deferred compensation contributions using the following method:

### **Diskette Reporting**

Full reporting submission is reporting by diskette. Diskettes must be formatted in accordance with RSA ITS department guidelines. The Section 12 Contributions Application is offered free of charge for PC based operating systems that meet certain criteria. The diskette should be labeled with the unit code, contribution month and should be sent along with a check for the total amount of the ERS retirement remittance in a single package.

Diskettes should be packaged to avoid damage in shipment with the envelope indicating "Magnetic Tape - Do Not X-ray." The 3-1/2 **diskettes will not be returned**.

The report and remittance are considered delinquent if received after the 10<sup>th</sup> of the month.

The agency cost and members' contribution computation must agree with the remittance. Discrepancies result in costly processing delays and difficulties.

Delinquent remittances may be subject to an additional interest payment based on the ERS current investment earnings rate.

**CLASSIFICATION CODES:** To be used in reporting members' positions

Code 01	=	regular employee (state)
Code 02	=	State Police (state)
Code 04	=	regular employee (non-state)
Code 10	=	corrections officer (Department of Corrections ONLY)
Code 11	=	firefighter
Code 12	=	law enforcement officer (does not include State Police)

### ***RSA-1***

For RSA-1, a separate check for the total RSA-1 contributions must be included in the same retirement contributions package along with the report.

## **Changes in Reporting Methods**

Before a change in the method of reporting will be allowed, the reporting unit must notify the ERS for authorization. The ERS must be notified in advance when a change in a unit's capability necessitates a change in its method of reporting.

Any unit converting from one media to another must submit both the old and new input for the first month of conversion to insure proper crediting of accounts.

For questions concerning submission of deducted money and/or magnetic media, please refer to the Contact page located at the front of this Manual.

### ***Part-time Employees***

If an ERS member is less than full-time or on a leave of absence with pay, the law requires that contributions be deducted and that service credit be given in proportion to the percent of time worked as compared to a full-time employee for that job classification.

The agency should review the monthly contributions report to confirm that the report provides the information necessary to identify members who do not work full-time or who are not paid full-time wages for the reporting period and prorate the service credit.

It will be necessary to indicate the number of days or hours worked and paid during the reporting period must be indicated in the “Units Worked” column. The number of days or hours required for full-time employment during the reporting period must be certified in the “Units Full-time” Column.

Make NO entry in either column for members who worked full-time or who were paid full-time wages for the reporting period.

### ***Temporary Employees***

Temporary employees who are employed longer than one (1) year **must** be enrolled in the ERS at the beginning of the second year. Once enrolled, the employee should be given an opportunity to purchase the first year of service. To certify this service, the agency submits a completed FORM F, SERVICE CALCULATION FORM, to the ERS certifying the first year of temporary employment.

Temporary service of less than one year is ineligible for service credit.

## **Correcting Reporting Errors**

### ***Eligible employee***

When the agency fails to remit retirement contributions on an eligible employee, a FORM F, SERVICE CALCULATION FORM, must be completed. This form indicates the salary earned by the member and the period of time in which the salary was earned. The ERS will calculate the agency and member cost and provide written notification of the additional amounts to be remitted to correct the error.

The FORM F requires the employer to certify the employee’s total salary and dates and months of service credit by fiscal year (October 1 through September 30). In addition, the reason for requesting this calculation must be indicated. The certifying official of the agency must certify the following regarding the certified service:

1. Full-time hourly rate employment,
2. Part-time employment, specifying the percentage of full-time employment,
3. Provisional (non-temporary) employment,
4. Full-time employment during the period of non-enrollment due to administrative error,
5. Elected official (office must be specified),

Any other service requires an explanation. (Example: part-time employment on a specified percentage during a period of non-enrollment due to administrative error.)

Information certified on the FORM F must be specified by fiscal year.

- If the error is corrected within the same fiscal year, there **will not** be an interest charge.

- If the error to be corrected occurs in a prior fiscal year, there **will** be an interest charge. The agency should submit a statement verifying that the agency will pay the employer cost when submitting the FORM F.

If a member elects to make a payment for any errors in omitting retirement contributions, the agency is required to also make a payment.

### ***Ineligible employee***

The agency must request a refund of the erroneously remitted retirement contributions and the matching employer cost when retirement deductions are made on an employee who is not eligible to participate in the ERS. Upon request, the ERS will provide the agency a FORM 7IR, INELIGIBLE MEMBER REFUND REQUEST.